

NOV 10 1988

Dear Sir or Madam:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(19) of the Internal Revenue Code.

The information submitted indicates that you were organized as an unincorporated association in [REDACTED]. You were organized to serve your state and country in peace, state and national emergency as prescribed by the Governor of the State of [REDACTED], and authorized by Chapter [REDACTED], Article [REDACTED], of the [REDACTED] Statutes of the State of [REDACTED].

You indicate that you have [REDACTED] members; [REDACTED] of whom are present or former members of the United States armed forces.

Article [REDACTED] of [REDACTED] Statutes of the State of [REDACTED] provides that nothing in this act [REDACTED] shall be construed as authorizing such forces, or any part thereof to be called, ordered or in any manner drafted, as such into the military services of the United States, but no person shall by reason of his enlistment or commission in any forces be exempted from military service under any law of the United States.

Section 501(c) of the Code describes certain organizations exempt from Federal income tax under section 501(a) and reads, in part, as follows:

(19) A post or organization of past or present members of the Armed Forces of the United States, or an auxiliary unit or society of, or a trust or foundation for, any such post or organization—

(A) organized in the United States or any of its possessions.

(B) at least 75 percent of the members of which are past or present members of the Armed Forces of the United States and substantially all of the other members of which are individuals who are cadets or are spouses, widows, or widowers of past or present members of the Armed Forces of the United States or of cadets, and

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
		[REDACTED]					
Surname		[REDACTED]					
Date		11/10/88					

[REDACTED]

(C) no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Based on the information, it is held that you do not qualify for tax-exempt status under section 501(c)(19) of the Code. Only [REDACTED] of [REDACTED] members or [REDACTED] percent of your membership are members or former members of the United States armed forces. The law clearly establishes that the requirement for exemption is that at least 75 percent of the members must be past or present members of the United States armed forces.

You are required to file an annual income tax return on Form 1120.

If you agree with these conclusions or do not wish to file a written protest, please sign and return Form 6018 in the enclosed self-addressed envelope as soon as possible.

If you do not agree with these conclusions, you may, within 30 days from the date of this letter, file in duplicate a brief of the facts, law, and argument that clearly sets forth your position. If you desire an oral discussion of the issue, please indicate this in your protest. The enclosed Publication 892 gives instructions for filing a protest.

If you do not file a protest with this office within 30 days of the date of this report or letter, this proposed determination will become final.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely,

[REDACTED]
District Director

Enclosures:
Form 6018
Publication 892